



STATE OF ARKANSAS
ARKANSAS LOTTERY COMMISSION

Post Office Box 3238
Little Rock, Arkansas 72203-3238
Phone: (501) 683-2000
Fax: (501) 683-1878
<http://myarkansaslottery.com>

May 10, 2013

The Honorable Mike Beebe
Governor of Arkansas
State Capitol
Little Rock, AR 72201

RE: Monthly Disclosure Reports

Dear Governor Beebe:

On behalf of our agency and the Commissioners of the Arkansas Lottery Commission, please accept the attached monthly disclosure reports pursuant to §§ 23-115-206 and 23-115-302 for the month of April 2013. The report contains the following information:

1. Contracts Awarded
2. Debt Set-Off Collections
3. Retailer Losses
4. Breakdown of Lottery Sales per County
5. Total Number of Retailers
6. Total Lottery Revenue
7. Prize Disbursements
8. Operating Expenses
9. Net Assets
10. Administrative Expenses
11. Unclaimed Prize Report
12. Arkansas Lottery Commission Minority- and Female-owned Business Report
13. Arkansas Lottery Commission Vendor Minority- and Female-owned Business Report
14. Arkansas Lottery Commission Demographics
15. Internal Auditor Report
16. Instant Ticket Games Released

Please call me if you have any questions or need additional information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bishop Woosley".

Bishop Woosley
Director

Enclosures

cc: Mr. Ben Pickard, Chairman, Arkansas Lottery Commission



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May 10, 2013

The Honorable Robert Thompson, Co-Chair
The Honorable Mark Perry, Co-Chair
Arkansas Lottery Commission Legislative Oversight Committee
One Capitol Mall, Room R-501
Little Rock, AR 72201

RE: Monthly Disclosure Reports

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Bishop Woosley
Director

Enclosures

cc: Mr. Ben Pickard, Chairman, Arkansas Lottery Commission

**Arkansas Lottery Commission Term Contracts for Goods and Services
April 1 through April 30, 2013**

No term contracts were entered into by the Arkansas Lottery Commission during the month of April 2013.

**Arkansas Lottery Commission
Debt Set-Off / Retailer Losses
April 2013**

1. Debt Set-Off:

| | | |
|----|---|---------------------|
| a. | Department of Finance and Administration | \$ 14,183.00 |
| b. | Office of Child Support Enforcement - Child Support | \$ 3,716.80 |
| | Total Debt Set-Off: | <u>\$ 17,899.80</u> |

2. Retailer losses for period April 1 through April 30, 2013: None.

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
April 1 through April 30, 2013

| COUNTY | ARKANSAS 50/50 | CASH 3 | CASH 4 | DECADES OF DOLLARS | FAST PLAY | INSTANT SETTLEMENTS | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | TOTAL SALES FOR COUNTY |
|------------|----------------|-------------|-------------|--------------------|-------------|---------------------|---------------|-----------------------|--------------|------------------------|
| ARKANSAS | \$65.00 | \$6,290.50 | \$6,811.50 | \$2,526.00 | \$14,617.00 | \$529,686.00 | \$12,068.00 | \$7,620.00 | \$24,620.00 | \$604,304.00 |
| ASHLEY | \$40.00 | \$8,791.00 | \$9,119.50 | \$1,216.00 | \$2,064.00 | \$146,357.00 | \$4,927.00 | \$2,273.00 | \$14,665.00 | \$189,452.50 |
| BAXTER | \$200.00 | \$2,194.50 | \$1,914.00 | \$3,876.00 | \$7,539.00 | \$364,536.00 | \$17,443.00 | \$10,586.00 | \$36,367.00 | \$444,655.50 |
| BENTON | \$485.00 | \$3,565.00 | \$2,605.00 | \$10,376.00 | \$10,104.00 | \$792,300.00 | \$64,141.00 | \$13,855.00 | \$134,906.00 | \$1,032,337.00 |
| BOONE | \$150.00 | \$2,435.50 | \$2,861.00 | \$1,558.00 | \$6,657.00 | \$401,181.00 | \$12,950.00 | \$4,621.00 | \$29,097.00 | \$461,510.50 |
| BRADLEY | \$495.00 | \$738.00 | \$534.00 | \$782.00 | \$2,885.00 | \$177,600.00 | \$3,336.00 | \$2,546.00 | \$6,513.00 | \$195,429.00 |
| CALHOUN | \$5.00 | \$1,152.50 | \$368.00 | \$474.00 | \$320.00 | \$48,900.00 | \$1,312.00 | \$927.00 | \$2,716.00 | \$56,174.50 |
| CARROLL | \$45.00 | \$655.50 | \$631.50 | \$1,346.00 | \$2,548.00 | \$236,116.00 | \$9,175.00 | \$2,794.00 | \$17,606.00 | \$270,917.00 |
| CHICOT | \$145.00 | \$4,965.00 | \$3,434.50 | \$2,056.00 | \$1,594.00 | \$204,600.00 | \$18,636.00 | \$4,477.00 | \$46,515.00 | \$286,422.50 |
| CLARK | \$65.00 | \$3,261.50 | \$1,143.00 | \$1,820.00 | \$3,034.00 | \$311,700.00 | \$8,254.00 | \$4,245.00 | \$19,077.00 | \$352,599.50 |
| CLAY | \$35.00 | \$277.00 | \$101.50 | \$454.00 | \$700.00 | \$98,100.00 | \$1,991.00 | \$967.00 | \$5,068.00 | \$107,693.50 |
| CLEBURNE | \$70.00 | \$1,686.00 | \$323.50 | \$2,842.00 | \$10,407.00 | \$347,255.00 | \$15,755.00 | \$9,154.00 | \$28,336.00 | \$415,828.50 |
| CLEVELAND | \$25.00 | \$341.00 | \$219.50 | \$288.00 | \$834.00 | \$44,240.00 | \$1,912.00 | \$717.00 | \$4,544.00 | \$53,120.50 |
| COLUMBIA | \$85.00 | \$11,405.50 | \$7,476.50 | \$1,824.00 | \$3,087.00 | \$252,873.00 | \$5,896.00 | \$3,262.00 | \$13,960.00 | \$299,869.00 |
| CONWAY | \$125.00 | \$8,310.50 | \$2,622.00 | \$2,606.00 | \$2,913.00 | \$437,741.00 | \$14,316.00 | \$9,316.00 | \$27,899.00 | \$505,848.50 |
| CRAIGHEAD | \$270.00 | \$8,603.00 | \$4,669.50 | \$5,072.00 | \$6,697.00 | \$1,203,067.00 | \$36,780.00 | \$13,490.00 | \$78,340.00 | \$1,356,988.50 |
| CRAWFORD | \$195.00 | \$2,779.00 | \$1,042.00 | \$3,024.00 | \$3,268.00 | \$387,095.00 | \$23,263.00 | \$9,999.00 | \$50,630.00 | \$481,295.00 |
| CRITTENDEN | \$230.00 | \$15,123.00 | \$12,587.50 | \$4,550.00 | \$11,387.00 | \$562,834.00 | \$32,399.00 | \$8,400.00 | \$75,910.00 | \$723,420.50 |
| CROSS | \$70.00 | \$2,001.50 | \$1,728.00 | \$1,152.00 | \$5,996.00 | \$230,400.00 | \$6,029.00 | \$3,643.00 | \$13,348.00 | \$264,367.50 |
| DALLAS | \$30.00 | \$1,172.50 | \$773.50 | \$628.00 | \$1,505.00 | \$130,041.00 | \$3,834.00 | \$2,117.00 | \$7,912.00 | \$148,013.00 |
| DESHA | \$50.00 | \$1,888.50 | \$909.00 | \$1,028.00 | \$1,008.00 | \$154,660.00 | \$6,331.00 | \$3,774.00 | \$14,707.00 | \$184,355.50 |
| DREW | \$90.00 | \$655.50 | \$725.00 | \$1,324.00 | \$6,164.00 | \$203,644.00 | \$6,301.00 | \$2,755.00 | \$15,978.00 | \$237,636.50 |
| FAULKNER | \$1,145.00 | \$10,130.00 | \$5,306.00 | \$8,392.00 | \$6,772.00 | \$1,234,235.00 | \$51,299.00 | \$21,161.00 | \$99,355.00 | \$1,437,795.00 |
| FRANKLIN | \$135.00 | \$677.50 | \$127.50 | \$1,432.00 | \$9,104.00 | \$152,908.00 | \$7,418.00 | \$2,866.00 | \$16,524.00 | \$191,192.00 |
| FULTON | \$20.00 | \$327.00 | \$154.00 | \$242.00 | \$114.00 | \$49,748.00 | \$2,185.00 | \$910.00 | \$4,761.00 | \$58,461.00 |
| GARLAND | \$720.00 | \$7,166.50 | \$3,317.50 | \$12,830.00 | \$7,879.00 | \$851,067.00 | \$59,553.00 | \$28,552.00 | \$115,325.00 | \$1,086,410.00 |
| GRANT | \$40.00 | \$322.50 | \$134.00 | \$1,182.00 | \$885.00 | \$150,600.00 | \$7,439.00 | \$3,523.00 | \$13,868.00 | \$177,993.50 |
| GREENE | \$235.00 | \$1,118.00 | \$642.50 | \$1,770.00 | \$6,360.00 | \$602,736.00 | \$14,121.00 | \$6,409.00 | \$32,062.00 | \$665,453.50 |
| HEMPSTEAD | \$110.00 | \$25,103.50 | \$9,579.50 | \$998.00 | \$4,347.00 | \$359,389.00 | \$7,857.00 | \$3,765.00 | \$15,284.00 | \$426,433.00 |
| HOT SPRING | \$140.00 | \$2,308.00 | \$621.00 | \$2,202.00 | \$1,631.00 | \$292,968.00 | \$12,186.00 | \$7,470.00 | \$25,034.00 | \$344,560.00 |

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
April 1 through April 30, 2013

| COUNTY | ARKANSAS 50/50 | CASH 3 | CASH 4 | DECADES OF DOLLARS | FAST PLAY | INSTANT SETTLEMENTS | MEGA MILLIONS | NATURAL STATE JACKPOT | POWERBALL | TOTAL SALES FOR COUNTY |
|--------------|-------------------|-------------|-------------|-----------------------|-------------|------------------------|------------------|-----------------------------|--------------|---------------------------|
| HOWARD | \$30.00 | \$17,577.50 | \$5,317.50 | \$718.00 | \$1,750.00 | \$175,200.00 | \$5,560.00 | \$2,118.00 | \$10,150.00 | \$218,421.00 |
| INDEPENDENCE | \$260.00 | \$4,276.00 | \$1,448.00 | \$3,426.00 | \$9,706.00 | \$716,662.00 | \$17,329.00 | \$10,814.00 | \$35,401.00 | \$799,322.00 |
| IZARD | \$5.00 | \$380.00 | \$477.50 | \$756.00 | \$1,202.00 | \$79,852.00 | \$4,343.00 | \$1,785.00 | \$7,278.00 | \$96,078.50 |
| JACKSON | \$90.00 | \$8,460.00 | \$5,922.00 | \$2,472.00 | \$3,993.00 | \$342,083.00 | \$9,594.00 | \$6,602.00 | \$19,778.00 | \$398,994.00 |
| JEFFERSON | \$285.00 | \$33,370.00 | \$25,239.50 | \$9,112.00 | \$13,020.00 | \$1,396,563.00 | \$42,918.00 | \$30,981.00 | \$82,800.00 | \$1,634,288.50 |
| JOHNSON | \$300.00 | \$349.00 | \$477.50 | \$1,412.00 | \$2,353.00 | \$217,833.00 | \$9,751.00 | \$3,926.00 | \$18,432.00 | \$254,833.50 |
| LAFAYETTE | \$10.00 | \$2,947.50 | \$1,358.50 | \$328.00 | \$1,117.00 | \$74,442.00 | \$1,540.00 | \$744.00 | \$4,021.00 | \$86,508.00 |
| LAWRENCE | \$110.00 | \$1,144.50 | \$226.50 | \$854.00 | \$1,641.00 | \$226,603.00 | \$3,900.00 | \$1,700.00 | \$8,778.00 | \$244,957.00 |
| LEE | \$25.00 | \$3,819.50 | \$2,570.50 | \$300.00 | \$1,108.00 | \$98,100.00 | \$1,964.00 | \$683.00 | \$4,201.00 | \$112,771.00 |
| LINCOLN | \$10.00 | \$425.50 | \$85.00 | \$482.00 | \$511.00 | \$86,140.00 | \$2,973.00 | \$2,913.00 | \$7,108.00 | \$100,647.50 |
| LITTLE RIVER | \$0.00 | \$2,924.50 | \$1,996.50 | \$768.00 | \$2,479.00 | \$95,177.00 | \$3,264.00 | \$1,497.00 | \$5,815.00 | \$113,921.00 |
| LOGAN | \$75.00 | \$505.00 | \$168.50 | \$1,408.00 | \$5,039.00 | \$225,133.00 | \$8,387.00 | \$3,924.00 | \$17,094.00 | \$261,733.50 |
| LONOKE | \$410.00 | \$5,957.50 | \$2,531.00 | \$7,106.00 | \$8,707.00 | \$1,068,271.00 | \$37,422.00 | \$15,198.00 | \$78,666.00 | \$1,224,268.50 |
| MADISON | \$35.00 | \$117.00 | \$10.00 | \$388.00 | \$1,921.00 | \$52,833.00 | \$3,149.00 | \$1,140.00 | \$6,986.00 | \$66,579.00 |
| MARION | \$25.00 | \$950.00 | \$566.50 | \$2,172.00 | \$2,626.00 | \$173,640.00 | \$5,523.00 | \$3,994.00 | \$13,702.00 | \$203,198.50 |
| MILLER | \$75.00 | \$26,425.00 | \$6,805.00 | \$2,052.00 | \$1,983.00 | \$468,495.00 | \$13,793.00 | \$4,123.00 | \$24,323.00 | \$548,074.00 |
| MISSISSIPPI | \$170.00 | \$37,249.00 | \$15,531.00 | \$1,952.00 | \$2,812.00 | \$537,263.00 | \$12,213.00 | \$3,960.00 | \$27,779.00 | \$638,929.00 |
| MONROE | \$45.00 | \$4,156.00 | \$1,503.50 | \$856.00 | \$491.00 | \$151,500.00 | \$5,370.00 | \$2,394.00 | \$12,322.00 | \$178,637.50 |
| MONTGOMERY | \$0.00 | \$19.00 | \$19.00 | \$242.00 | \$477.00 | \$17,735.00 | \$2,013.00 | \$797.00 | \$4,232.00 | \$25,534.00 |
| NEVADA | \$55.00 | \$2,661.00 | \$629.50 | \$1,042.00 | \$2,561.00 | \$240,300.00 | \$4,677.00 | \$2,295.00 | \$9,763.00 | \$263,983.50 |
| NEWTON | \$15.00 | \$84.50 | \$40.00 | \$244.00 | \$947.00 | \$55,793.00 | \$1,217.00 | \$487.00 | \$2,657.00 | \$61,484.50 |
| OUACHITA | \$110.00 | \$8,422.50 | \$4,432.50 | \$1,836.00 | \$11,548.00 | \$479,425.00 | \$10,387.00 | \$6,188.00 | \$22,024.00 | \$544,373.00 |
| PERRY | \$15.00 | \$405.50 | \$198.00 | \$580.00 | \$540.00 | \$83,100.00 | \$3,602.00 | \$1,575.00 | \$7,327.00 | \$97,342.50 |
| PHILLIPS | \$105.00 | \$6,170.50 | \$4,054.00 | \$1,316.00 | \$1,597.00 | \$227,100.00 | \$10,412.00 | \$2,883.00 | \$25,990.00 | \$279,627.50 |
| PIKE | \$60.00 | \$96.50 | \$58.00 | \$448.00 | \$2,965.00 | \$76,200.00 | \$4,019.00 | \$2,299.00 | \$7,539.00 | \$93,684.50 |
| POINSETT | \$120.00 | \$4,528.50 | \$1,947.00 | \$954.00 | \$4,963.00 | \$399,091.00 | \$7,956.00 | \$5,460.00 | \$20,455.00 | \$445,474.50 |
| POLK | \$60.00 | \$788.00 | \$178.50 | \$1,206.00 | \$2,228.00 | \$140,060.00 | \$7,097.00 | \$3,122.00 | \$14,875.00 | \$169,614.50 |
| POPE | \$275.00 | \$8,823.50 | \$4,036.50 | \$6,190.00 | \$14,858.00 | \$828,809.00 | \$29,304.00 | \$14,650.00 | \$62,366.00 | \$969,312.00 |
| PRAIRIE | \$25.00 | \$2,589.00 | \$682.00 | \$890.00 | \$501.00 | \$174,836.00 | \$4,275.00 | \$2,329.00 | \$10,421.00 | \$196,548.00 |
| PULASKI | \$2,205.00 | \$97,829.50 | \$66,338.00 | \$51,862.00 | \$69,393.00 | \$6,152,919.00 | \$248,739.00 | \$119,030.00 | \$472,743.00 | \$7,281,058.50 |
| RANDOLPH | \$45.00 | \$178.00 | \$75.00 | \$1,282.00 | \$1,921.00 | \$162,000.00 | \$4,059.00 | \$2,556.00 | \$10,220.00 | \$182,336.00 |

ARKANSAS LOTTERY COMMISSION
RETAIL SALES BY COUNTY
April 1 through April 30, 2013

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|---------------|----------------|-------------|-------------|--------------------|------------|---------------------|---------------|-----------------------|--------------|------------------------|
| SAINT FRANCIS | \$75.00 | \$9,018.00 | \$5,631.00 | \$1,002.00 | \$2,224.00 | \$274,800.00 | \$9,442.00 | \$3,584.00 | \$21,921.00 | \$327,697.00 |
| SALINE | \$465.00 | \$9,011.50 | \$3,509.50 | \$10,558.00 | \$8,790.00 | \$1,112,771.00 | \$53,820.00 | \$22,027.00 | \$106,202.00 | \$1,327,154.00 |
| SCOTT | \$60.00 | \$341.00 | \$38.00 | \$394.00 | \$579.00 | \$95,326.00 | \$3,669.00 | \$1,324.00 | \$7,423.00 | \$109,154.00 |
| SEARCY | \$30.00 | \$1,548.00 | \$446.00 | \$596.00 | \$5,128.00 | \$104,790.00 | \$2,463.00 | \$1,144.00 | \$6,081.00 | \$122,226.00 |
| SEBASTIAN | \$730.00 | \$16,019.00 | \$4,394.00 | \$8,094.00 | \$8,747.00 | \$784,057.00 | \$58,021.00 | \$22,559.00 | \$115,334.00 | \$1,017,955.00 |
| SEVIER | \$35.00 | \$3,100.50 | \$974.00 | \$502.00 | \$709.00 | \$139,080.00 | \$5,261.00 | \$2,302.00 | \$10,164.00 | \$162,127.50 |
| SHARP | \$95.00 | \$985.00 | \$233.00 | \$1,172.00 | \$2,031.00 | \$213,900.00 | \$6,388.00 | \$3,295.00 | \$13,122.00 | \$241,221.00 |
| STONE | \$60.00 | \$1,134.00 | \$301.00 | \$962.00 | \$1,499.00 | \$94,582.00 | \$4,428.00 | \$2,268.00 | \$8,205.00 | \$113,439.00 |
| UNION | \$160.00 | \$40,660.50 | \$23,338.00 | \$5,120.00 | \$8,365.00 | \$676,426.00 | \$17,791.00 | \$7,457.00 | \$37,101.00 | \$816,418.50 |
| VAN BUREN | \$30.00 | \$1,207.50 | \$326.50 | \$1,090.00 | \$3,917.00 | \$158,720.00 | \$6,459.00 | \$3,195.00 | \$13,931.00 | \$188,876.00 |
| WASHINGTON | \$725.00 | \$12,334.50 | \$5,197.00 | \$11,944.00 | \$9,755.00 | \$1,406,183.00 | \$80,054.00 | \$21,251.00 | \$159,237.00 | \$1,706,680.50 |
| WHITE | \$225.00 | \$4,563.00 | \$3,418.00 | \$5,066.00 | \$8,235.00 | \$1,265,131.00 | \$30,111.00 | \$14,767.00 | \$61,966.00 | \$1,393,482.00 |
| WOODRUFF | \$10.00 | \$2,466.50 | \$741.00 | \$332.00 | \$972.00 | \$129,274.00 | \$2,855.00 | \$1,786.00 | \$7,288.00 | \$145,724.50 |
| YELL | \$50.00 | \$679.00 | \$177.50 | \$1,162.00 | \$5,976.00 | \$169,327.00 | \$7,718.00 | \$3,339.00 | \$14,951.00 | \$203,379.50 |

| | | | | | | | | | | |
|---------------------|------------------------|----------------|----------------|----------------------------|-------------------|-----------------|-----------------------|-------------------------------|-------------------|-----------------|
| GRAND TOTALS | *Arkansas 50/50 | *Cash 3 | *Cash 4 | *Decades of Dollars | *Fast Play | *Instant | *Mega Millions | *Natural State Jackpot | *Powerball | *Totals |
| | \$13,315.00 | \$522,142.50 | \$286,128.50 | \$232,518.00 | \$386,305.00 | \$32,806,102.00 | \$1,284,337.00 | \$568,659.00 | \$2,629,099.00 | \$38,728,606.00 |

*Estimates

**Arkansas Lottery Commission
Total Number of Active Retailers
April 2013**

There were 1,889 active retailers as of April 30, 2013.

Arkansas Lottery Commission
Statement of Net Position
April 30, 2013

ASSETS

Current assets:

| | |
|---------------------------|--------------------------|
| Cash and Cash Equivalents | \$ 2,001,082.19 |
| Restricted Assets: | |
| Cash and cash equivalents | 24,911,341.46 |
| Accounts receivable | 13,082,055.01 |
| Prepaid items | <u>41,428.91</u> |
| Total current assets | <u>40,035,907.57</u> |

Noncurrent assets:

| | |
|---|-----------------------------|
| Restricted assets: | |
| Cash and cash equivalents | 20,069,621.38 |
| Deposits with Multi-State Lottery Asso. | 1,741,920.24 |
| Capital assets: | |
| Equipment | 526,664.88 |
| Leasehold Improvements | 498,416.68 |
| Less accumulated depreciation | <u>(636,350.26)</u> |
| Total noncurrent assets | <u>22,200,272.92</u> |
| Total assets | <u>\$ 62,236,180.49</u> |

LIABILITIES

Current liabilities:

| | |
|-------------------------------|--------------------------|
| Accounts payable | \$ 1,066,906.35 |
| Prizes payable | 17,597,791.08 |
| Accrued and other liabilities | 1,080,508.39 |
| Due to other funds | 1,127,509.30 |
| Due to ADHE | 19,738,578.39 |
| Compensated absences | <u>272,279.66</u> |
| Total current liabilities | <u>40,883,573.17</u> |

Long-Term liabilities:

| | |
|-----------------------|--------------------------|
| Net OPEB Obligation | <u>727,279.68</u> |
| Total liabilities | <u>41,610,852.85</u> |

Deferred inflows:

| | |
|------------------|-------------------|
| Deferred revenue | <u>447,847.68</u> |
|------------------|-------------------|

NET POSITION

Net position:

| | |
|--|-----------------------------|
| Invested in capital assets | 388,731.30 |
| Restricted: | |
| Scholarship shortfall fund | 20,000,000.00 |
| Retailer fidelity fund | 69,621.38 |
| Deposits with Multi-State Lottery Asso. | 1,741,920.24 |
| Unclaimed Prize Fund | 5,172,763.07 |
| Unrestricted | <u>(7,195,556.03)</u> |
| Total net position | <u>20,177,479.96</u> |
| Total liabilities, deferred inflows & net position | <u>\$ 62,236,180.49</u> |

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Position
For the Ten Months Ended April 30, 2013

| | Current month | Year to date |
|---|------------------------------|-----------------------------|
| Operating revenues: | | |
| Instant ticket sales | \$ 32,334,854.00 | \$ 299,298,014.00 |
| Online ticket sales | 5,806,093.00 | 66,056,981.50 |
| Retailer application, fidelity and service fees | 41,218.75 | 465,513.43 |
| Other revenue | <u>221.00</u> | <u>3,261.09</u> |
| Total operating revenues | <u>38,182,386.75</u> | <u>365,823,770.02</u> |
| Operating expenses: | | |
| Instant game prizes | 22,948,330.97 | 210,465,239.99 |
| Online game prizes | 3,059,021.86 | 32,406,871.23 |
| Retailer commissions | 2,136,230.39 | 20,458,513.11 |
| Gaming contract costs | 1,927,473.19 | 18,320,260.18 |
| Compensation and benefits | 489,830.55 | 4,613,186.72 |
| Marketing, advertising and promotions | 534,461.80 | 3,293,524.12 |
| General and administrative expenses | 98,635.34 | 1,023,913.16 |
| Services provided by ADHE | 110,000.00 | 1,100,000.00 |
| Services provided by Legislative Audit Agency | | 138,880.00 |
| Legal and professional services | 399.50 | 16,166.63 |
| Depreciation | <u>15,179.89</u> | <u>151,798.90</u> |
| Total operating expenses | <u>31,319,563.49</u> | <u>291,988,354.04</u> |
| Operating income | 6,862,823.26 | 73,835,415.98 |
| Nonoperating revenue (expense): | | |
| Interest income | 19,771.49 | 269,276.36 |
| Other Non Operating Income | <u> </u> | <u> </u> |
| Income before transfers | 6,882,594.75 | 74,104,692.34 |
| Transfers to: | | |
| Trust Account for ADHE | (8,143,467.33) | (71,426,618.52) |
| Arkansas Department of Human Services | | (200,000.00) |
| Transfers from: | | |
| Transfers from ADHE | <u> </u> | <u>0.00</u> |
| Change in net position | <u>\$ (1,260,872.58)</u> | <u>2,478,073.82</u> |
| Total net position - beginning | | <u>17,699,406.14</u> |
| Total net position - ending | | <u>\$ 20,177,479.96</u> |

Arkansas Lottery Commission
Statement of Revenue, Expenses, and Changes in Net Position
For the Ten Months Ended April 30, 2013

| | CM Actual | % | CM Budget | % | CM Variance | YTD Actual | % | YTD Budget | % | YTD Variance |
|--|------------------------|--------|------------------------|--------|-------------------------|-------------------------|--------|------------------------|--------|--------------------------|
| Operating Revenues | | | | | | | | | | |
| Instant Games | \$32,334,854.00 | 84.69 | \$31,732,200.00 | 81.43 | \$ 602,654.00 | \$299,298,014.00 | 81.81 | \$ 323,320,300.00 | 81.84 | \$ (24,022,286.00) |
| OnLine Games | 5,806,093.00 | 15.21 | 7,196,600.00 | 18.47 | (1,390,507.00) | 66,056,981.50 | 18.06 | 71,278,400.00 | 18.04 | (5,221,418.50) |
| Retailer application, fidelity | 41,218.75 | 0.11 | 40,600.00 | 0.10 | 618.75 | 465,513.43 | 0.13 | 442,900.00 | 0.11 | 22,613.43 |
| Other Revenue | <u>221.00</u> | 0.00 | <u>400.00</u> | 0.00 | <u>(179.00)</u> | <u>3,261.09</u> | 0.00 | <u>4,100.00</u> | 0.00 | <u>(838.91)</u> |
| Total Operating Revenues | <u>38,182,386.75</u> | 100.00 | <u>38,969,800.00</u> | 100.00 | <u>(787,413.25)</u> | <u>365,823,770.02</u> | 100.00 | <u>395,045,700.00</u> | 100.00 | <u>(29,221,929.98)</u> |
| Operating Expenses | | | | | | | | | | |
| Instant Game Prizes | 22,948,330.97 | 60.10 | 21,978,770.20 | 56.40 | 969,560.77 | 210,465,239.99 | 57.53 | 223,951,246.79 | 56.69 | (13,486,006.80) |
| On-Line Game Prizes | 3,059,021.86 | 8.01 | 3,630,529.80 | 9.32 | (571,507.94) | 32,406,871.23 | 8.86 | 35,910,853.21 | 9.09 | (3,503,981.98) |
| Retailer Commissions | 2,136,230.39 | 5.59 | 2,202,300.00 | 5.65 | (66,069.61) | 20,458,513.11 | 5.59 | 22,300,900.00 | 5.65 | (1,842,386.89) |
| Gaming Contract Costs | 1,927,473.19 | 5.05 | 2,045,600.00 | 5.25 | (118,126.81) | 18,320,260.18 | 5.01 | 20,475,100.00 | 5.18 | (2,154,839.82) |
| Staff Compensation & Benefits | 489,830.55 | 1.28 | 492,294.00 | 1.26 | (2,463.45) | 4,613,186.72 | 1.26 | 4,836,917.00 | 1.22 | (223,730.28) |
| Marketing, Advertising & Promo | 534,461.80 | 1.40 | 399,418.00 | 1.02 | 135,043.80 | 3,293,524.12 | 0.90 | 3,681,057.00 | 0.93 | (387,532.88) |
| General and administrative ex | 98,635.34 | 0.26 | 107,060.00 | 0.27 | (8,424.66) | 1,023,913.16 | 0.28 | 1,085,460.00 | 0.27 | (61,546.84) |
| Services Provided by Other Age | 110,000.00 | 0.29 | 129,200.00 | 0.33 | (19,200.00) | 1,238,880.00 | 0.34 | 1,291,700.00 | 0.33 | (52,820.00) |
| Legal and Professional Service | 399.50 | 0.00 | 7,900.00 | 0.02 | (7,500.50) | 16,166.63 | 0.00 | 79,150.00 | 0.02 | (62,983.37) |
| Capital asset depreciation | <u>15,179.89</u> | 0.04 | <u>16,667.00</u> | 0.04 | <u>(1,487.11)</u> | <u>151,798.90</u> | 0.04 | <u>166,667.00</u> | 0.04 | <u>(14,868.10)</u> |
| Total Operating Expenses | <u>31,319,563.49</u> | 82.03 | <u>31,009,739.00</u> | 79.57 | <u>309,824.49</u> | <u>291,988,354.04</u> | 79.82 | <u>313,779,051.00</u> | 79.43 | <u>(21,790,696.96)</u> |
| Operating Income | 6,862,823.26 | 17.97 | 7,960,061.00 | 20.43 | (1,097,237.74) | 73,835,415.98 | 20.18 | 81,266,649.00 | 20.57 | (7,431,233.02) |
| Non-Operating Revenue (Expense) | | | | | | | | | | |
| Interest Income | <u>19,771.49</u> | 0.05 | <u>26,600.00</u> | 0.07 | <u>(6,828.51)</u> | <u>269,276.36</u> | 0.07 | <u>266,600.00</u> | 0.07 | <u>2,676.36</u> |
| Income before transfers | <u>\$ 6,882,594.75</u> | 18.03 | <u>\$ 7,986,661.00</u> | 20.49 | <u>\$(1,104,066.25)</u> | <u>\$ 74,104,692.34</u> | 20.26 | <u>\$81,533,249.00</u> | 20.64 | <u>\$ (7,428,556.66)</u> |

Arkansas Scholarship Commission
Net Proceeds Transfer to Ed Trust Computation
Modified Cash Basis
For the Ten Months Ended April 30, 2013

| | Year to date |
|---|--|
| Operating revenues: | |
| Instant ticket SETTLEMENTS | \$ 299,254,767.00 |
| Online ticket sales | 66,056,981.50 |
| Retailer application, fidelity and service fees | 465,513.43 |
| Other revenue | <u>3,261.09</u> |
| Total operating revenues | <u>365,780,523.02</u> |
| | |
| Operating expenses: | |
| Instant game prizes SETTLEMENTS | 208,800,599.06 |
| Online game prizes | 32,406,871.23 |
| Retailer commissions | 20,458,513.11 |
| Gaming contract costs | 18,320,260.18 |
| Compensation and benefits | 4,613,186.72 |
| Marketing, advertising and promotions | 3,293,524.12 |
| General and administrative expenses | 1,023,913.16 |
| Services provided by ADHE | 1,100,000.00 |
| Services provided by Legislative Audit Agency | 138,880.00 |
| Legal and professional services | 16,166.63 |
| Current year Capital Asset cost | 0.00 |
| Total operating expenses | <u>290,171,914.21</u> |
| Change in net proceeds from operations | 75,608,608.81 |
| | |
| Nonoperating revenue (expense): | |
| Interest Income | 269,276.36 |
| Other Non Operating Income | |
| EDUCATION TRUST FUNDING-Current Year | (63,283,151.19) |
| Less Act 1180 Unclaimed Prizes | (4,172,763.07) |
| Less Transfer to ADHS | (200,000.00) |
| Less Current year Fidelity Fund fees | (20,389.11) restricted fund |
| Less Current year MUSL Reserves additions | (58,114.47) see 23-115-103(17) and (19)(A)&(B) |

NET PROCEEDS EARNED-Current Month

\$ 8,143,467.33

| Totals | Transfer | Interest | Total |
|--|--------------------|---------------|--------------------|
| | \$ 18,991,190.06 | \$ 747,388.33 | \$ 19,738,578.39 |
| July 2011 funding - 8/12/11 | \$ 7,124,686.65 | \$ 28,216.33 | \$ 7,152,902.98 |
| ADHE Refund for excess funding 8/1/11 | \$ 12,430,211.12 | | \$ 12,430,211.12 |
| June 2011 Audit Adjustments funding - 8/3/11 | \$ 60,972.09 | | \$ 60,972.09 |
| August transfer to ADHE 8/4/11 | \$ (60,000,000.00) | | \$ (60,000,000.00) |
| August 2011 funding - 9/14/11 | \$ 7,531,880.34 | \$ 11,673.25 | \$ 7,543,553.59 |
| September 2011 funding - 10/14/11 | \$ 6,961,428.55 | \$ 11,751.16 | \$ 6,973,179.71 |
| October transfer to ADHE 10/13/11 | \$ (10,000,000.00) | | \$ (10,000,000.00) |
| June 2011 Audit Adjustments funding - 11/15/11 | \$ (102,990.22) | | \$ (102,990.22) |
| October 2011 funding - 11/15/11 | \$ 8,121,007.71 | \$ 12,698.12 | \$ 8,133,705.83 |
| November 2011 funding - 12/15/11 | \$ 7,980,208.54 | \$ 13,917.97 | \$ 7,994,126.51 |
| December 2011 funding - 01/15/12 | \$ 7,870,103.23 | \$ 18,175.91 | \$ 7,888,279.14 |
| January 2012 funding - 02/15/12 | \$ 5,500,806.07 | \$ 21,940.75 | \$ 5,522,746.82 |
| February transfer to ADHE 2/2/12 | \$ (45,000,000.00) | | \$ (45,000,000.00) |
| February 2012 funding - 03/15/12 | \$ 9,724,929.68 | \$ 4,663.90 | \$ 9,729,593.58 |
| March 2012 funding - 04/15/12 | \$ 12,820,077.29 | \$ 7,295.76 | \$ 12,827,373.05 |
| April 2012 funding - 05/15/12 | \$ 7,053,021.89 | \$ 13,165.87 | \$ 7,066,187.76 |
| May 2012 funding - 06/15/12 | \$ 7,553,944.47 | \$ 17,709.57 | \$ 7,571,654.04 |
| June 2012 funding - 7/15/12 | \$ 9,158,895.89 | \$ 20,328.76 | \$ 9,179,224.65 |
| July 2012 funding - 8/15/12 | \$ 4,727,442.68 | \$ 25,058.83 | \$ 4,752,501.51 |
| ADHE Refund for excess funding 8/7/12 | \$ 6,342,312.00 | | \$ 6,342,312.00 |
| August transfer to ADHE 8/10/12 | \$ (55,000,000.00) | | \$ (55,000,000.00) |
| June 2012 Audit Adjustments funding - 9/15/12 | \$ (72,247.92) | | \$ (72,247.92) |
| August 2012 funding - 9/15/12 | \$ 7,181,223.09 | \$ 12,062.84 | \$ 7,193,285.93 |
| September 2012 funding - 10/15/12 | \$ 6,576,892.46 | \$ 8,064.30 | \$ 6,584,956.76 |
| October 2012 funding - 11/15/12 | \$ 6,621,349.77 | \$ 11,516.26 | \$ 6,632,866.03 |
| November 2012 funding - 12/15/12 | \$ 8,429,441.15 | \$ 14,494.44 | \$ 8,443,935.59 |
| December 2012 funding - 1/15/13 | \$ 6,895,999.32 | \$ 18,261.36 | \$ 6,914,260.68 |
| January 2013 funding - 2/15/13 | \$ 6,516,869.09 | \$ 22,084.00 | \$ 6,538,953.09 |
| February transfer to ADHE 2/1/13 | \$ (45,000,000.00) | | \$ (45,000,000.00) |
| February transfer to ADHE 2/8/13 | \$ (10,000,000.00) | | \$ (10,000,000.00) |
| February 2013 funding - 3/15/13 | \$ 6,445,840.69 | \$ 1,278.08 | \$ 6,447,118.77 |
| March transfer to ADHE 3/22/13 | \$ (5,000,000.00) | | \$ (5,000,000.00) |
| March 2013 funding - 4/15/13 | \$ 9,773,520.45 | \$ 1,752.38 | \$ 9,775,272.83 |
| April 2013 funding - 5/15/13 | \$ 8,139,256.61 | \$ 4,210.72 | \$ 8,143,467.33 |

Arkansas Lottery Commission
Unclaimed Prizes
April 30, 2013

| | Monthly | Year to Date |
|--|--------------|-----------------|
| 1. Unclaimed lottery prize money: | \$383,745.45 | \$4,331,148.07 |
| 2. Expenditures from unclaimed lottery prize money: | 0.00 | 158,385.00 |
| 3. Reserved for future prizes, promotions or reserves: | \$383,745.45 | \$4,172,763.07 |
| 4. Deposits to net lottery proceeds from unclaimed Lottery prize money: | \$0.00 | \$0.00 |

ARKANSAS LOTTERY COMMISSION MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

April 1 through April 30, 2013

| Vendors | Goods or Services | Diversity Classification | April 2013 | FY 2013 Total |
|-------------------------------------|-------------------------------|---------------------------------|-------------------|----------------------|
| BSW Advertising | Advertising/Public Relations | Minority-owned | | \$4,293.89 |
| Goddess Products | Office Furniture/Supplies | Minority-owned | | \$5,107.91 |
| CCI of Arkansas | Electrical Services | Minority-owned | | \$659.66 |
| Northeast Arkansas Cleaning Service | Janitorial Services | Female-owned | \$448.25 | \$4,598.39 |
| Party Prints | Advertising/Public Relations | Minority/Female-owned | | \$5,737.48 |
| Ride N Shine Detail | Auto Detail & Cosmetic Repair | Minority-owned | \$54.26 | \$206.17 |
| SHI International Corporation | Computer Software | Female-owned | | \$7,236.60 |
| Trivia Marketing | Advertising/Public Relations | Female-owned | | \$116.21 |
| Totals | | | \$502.51 | \$27,956.31 |

INTRALOT MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

April 1 through April 30, 2013

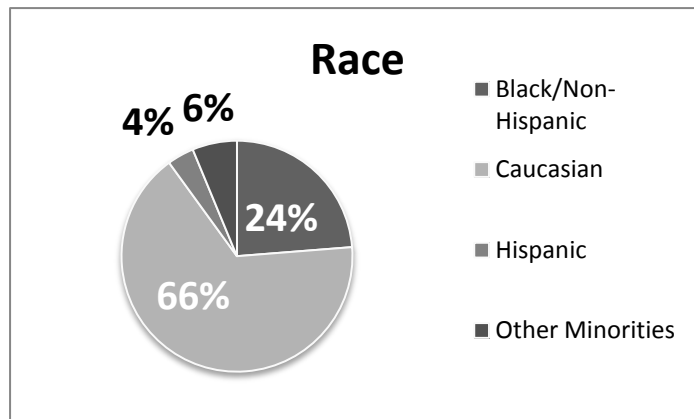
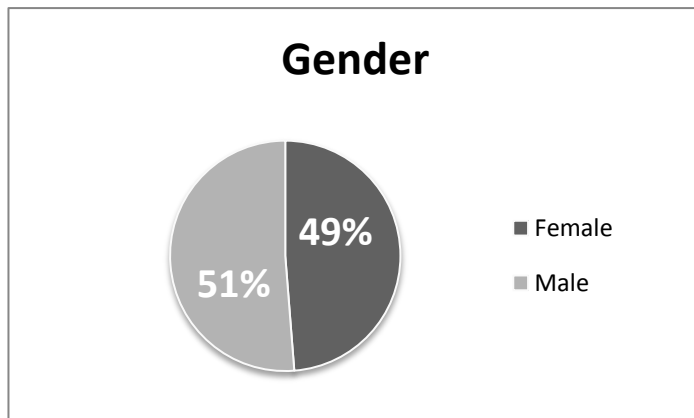
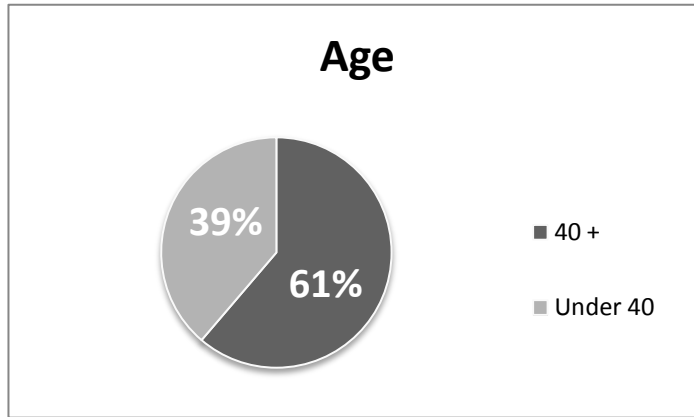
| Vendors | Goods or Services | Diversity Classification | April 2013 | FY 2013 Total |
|--|----------------------------------|---------------------------------|--------------------|----------------------|
| Goddess Products | Office Furniture/Supplies | Minority-owned | | \$998.60 |
| J Kelly Referrals and Information Services | Call Center/Information Services | Minority-owned | \$10,741.28 | \$128,928.01 |
| Totals | | | \$10,619.26 | \$129,961.61 |

SCIENTIFIC GAMES MINORITY- AND FEMALE-OWNED DIVERSITY COMPLIANCE REPORT

April 1 through April 30, 2013

| Vendors | Goods or Services | Diversity Classification | April 2013 | FY 2013 Total |
|---|---------------------------|---------------------------------|--------------------|----------------------|
| Central Copiers | Office Supplies/Equipment | Female-owned | | \$980.60 |
| Expedited Transportation Service | Transportation Services | Female-owned | \$23,137.65 | \$153,981.42 |
| Mr. Klean Carpet and Janitorial Service | Janitorial Services | Minority-owned | \$596.60 | \$3,716.30 |
| Premier Staffing | Staffing Services | Female-owned | | \$823.44 |
| Totals | | | \$23,734.25 | \$159,501.76 |

**Arkansas Lottery Commission
Demographics – April 2013**



Total Number of Employees as of April 30, 2013: 80

Gender:

Females – 39
Males – 41

Age:

Under 40 – 31
40 + – 49

Race:

Black/Non-Hispanic – 19
Female – 13
Male - 6

Caucasian – 53
Female - 22
Male - 31

Hispanic – 3
Female - 2
Male - 1

Other – 5
Female - 2
Male - 3

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
May 10, 2013

On April 29, 2013, the Arkansas Lottery Commission Internal Auditor (Internal Audit) presented results of the Back Office System (BOS) Administration Audit to members of the Arkansas Lottery Commission (ALC). The audit centered on processes, controls, and procedures over access to the ALC's BOS for the period July 1, 2012 through January 15, 2013. BOS is provided to the ALC under its contract with Intralot, Inc. for Online Lottery Game Services and Lottery Gaming System and Services. BOS is utilized in processing player claims, serves as the basis for tax reporting relative to player winnings, is key in administering and ensuring maintenance of retailer licenses, serves as the basis for the recording of instant and online ticket sales in the ALC's accounting systems, and is utilized to generate multiple sales and operational reports. The following observations were reported to members of the ALC:

1. Lack of written documentation outlining prospective BOS users' request for access.
2. Lack of documentation that specifies what applications within BOS are mapped to each of the 23 pre-defined user roles that are used to determine access levels granted to prospective users.
3. Lack of written documentation outlining updates to BOS users' requests for new or updated access.
4. Lack of detailed written documentation when users are deleted or inactivated, upon termination of employment from the ALC.
5. For 4 of 7 months tested, user access lists were not retained in conjunction with ALC Management's monthly BOS user review.
6. In reviewing specific application-level access for a sample of users, Internal Audit noted users with access that did not seem to be consistent with the job functions or duties the users have at the ALC or outside organizations by whom they are employed.

Specific to Observation #1, Internal Audit recommended that ALC Management adopt a standard BOS Access Request form that outlines basic information for prospective users, and that these forms be retained, so that an audit trail that outlines justification and approval for users' access is maintained. As a result of the observation, ALC Management responded stating that a standard access form for use when granting and updating access to BOS is currently under development and will be implemented. Once implemented, ALC Management plans to require completion of a form for each current BOS user and all BOS users going forward. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
May 10, 2013

Specific to Observation #2, Internal Audit recommended that ALC Management develop a matrix that maps the roles within BOS to the specific applications users will be granted access when assigned each role, and that this matrix be maintained going forward. Roles within BOS selected for users are determined by the description of the role and users' expected needs within the system; however, without clear definition of the system permissions tied to each role, users may be granted access within BOS that seems reasonable based on role descriptions and expected job functions, but may not be necessary to complete their assigned work. As a result of the observation, ALC Management responded stating that a standard access form for use when granting and updating access to BOS is currently under development and will be implemented. This form will include selection of a role or appropriate access level for the user requesting access, which will be validated by ALC Management, prior to granting of access. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

Specific to Observation #3, Internal Audit recommended that ALC Management adopt a standard BOS Access Update Request form that outlines basic information for users requesting updates, and that these forms be retained to provide an audit trail that outlines justification and approval for users' access. As a result of the observation, ALC Management responded stating that a standard access form for use when granting and updating access to BOS is currently under development and will be implemented. Once implemented, ALC Management plans to require completion of a form for each current BOS user and all BOS users going forward. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

Specific to Observation #4, Internal Audit recommended that upon termination of employees from the ALC or its vendors with access to BOS, ALC Management retain documentation of the date/time actions were taken to delete or inactivate users' access to BOS. As a result of the observation, ALC Management responded stating that the standard access form will be completed when an employee or vendor terminates employment, and that key information such as access termination date will be documented on the form. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

Specific to Observation #5, Internal Audit recommended that ALC Management develop a monthly packet that is retained evidencing review of the BOS user list and the positive confirmations of access obtained from outside organizations that employ BOS users, and that this packet is formalized by requiring sign-off of those completing and reviewing the monthly user review. The BOS user lists show the active users in BOS at the point in time that Security confirms the appropriateness of all BOS users, including those from outside the ALC, and cannot be reproduced as of the point in time ALC Management completes its monthly user review. As such, it cannot be confirmed if there were unauthorized BOS users when the monthly review was performed, without the lists. As a result of the observation, ALC Management responded stating that steps have been taken to ensure that the packet currently maintained captures all information recommended by Internal Audit. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

Arkansas Lottery Commission – Internal Audit
Arkansas Lottery Commission Legislative Oversight Committee Monthly Report
May 10, 2013

Specific to Observation #6, Internal Audit recommended that ALC Management perform a comprehensive review of all BOS users and the appropriateness of the access granted to them. Based on the results of the review, Internal Audit recommended that Management update users' access, as appropriate. As a result of the observation, ALC Management responded stating that as of April 15, 2013, all BOS access review/updates for employees and vendor employees were completed, and that each user's permission correlates with the job duties on file for the employee. Follow-up audit procedures, when appropriate, are required in order for Internal Audit to consider the observation cleared.

The Arkansas Lottery Commission Legislative Oversight Committee will be apprised of the results of follow-up procedures once they are completed, as part of the required monthly reporting.

No additional items have been reported to the Arkansas Lottery Commission since the previous report submitted to the Arkansas Lottery Commission Legislative Oversight Committee on April 10, 2013.

Arkansas Lottery Commission
Instant & Fast Play Games
April 2013

Sales for the following instant games began April 2, 2013. No ending dates have been determined for these games.

\$2 Fantastic 5's

\$3 Queen of Hearts

\$5 American Muscle^{®1}

¹American Muscle[®] is a licensed property game. There is a total cost of one hundred thirty four thousand dollars (\$134,000.00) for two (2) automobile prizes.

Sales for the following Fast Play games began April 1, 2013. No ending dates have been determined for these games.

\$1 Beat the Dealer

\$1 Fish Finder

Sales for the following Fast Play games began April 15, 2013. No ending dates have been determined for these games.

\$1 AR Progressive Jackpot

\$2 AR Progressive Jackpot

\$5 AR Progressive Jackpot